

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
Docket No. R97-1

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
NASHUA, DISTRICT, MYSTIC & SEATTLE INTERROGATORY NDMS/USPS-T32-34  
AND MOTION FOR LATE ACCEPTANCE**

The United States Postal Service hereby files its response to the following interrogatory of Nashua, District, Mystic & Seattle, dated August 29, 1997: NDMS/USPS-T32-34. The interrogatory is stated verbatim and is followed by the response.

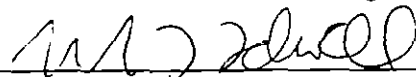
The response is being filed 10 days late. Responsive information had to be collected from field personnel who were unavailable for consultation until only recently. Accordingly, the response could not be prepared for filing until today. Since the response relates to matters which were the subject of discovery in Docket No. MC96-3, the Postal Service believes that any prejudice resulting from the lateness of this response is mitigated. A facsimile copy of the response is being transmitted to counsel for NDMS today.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
Michael T. Tidwell

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
September 22, 1997

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS  
REDIRECTED FROM WITNESS FRONK

NDMS/USPS-T32-34.

- a. Please explain whether Brooklyn Union Gas ("BUG") performed the postage accounting function in the PCRM test.
- b. If so, please describe all steps taken by BUG to perform the postage accounting function, and answer the following: (i) Did BUG count every envelope? (ii) Did BUG use a weight averaging system? (iii) If a weight averaging system was used, how many samples did the Postal Service take during the term of the test?
- c. If so, describe the auditing activities performed by the Postal Service throughout the test.
- d. If not, how was the postage accounting function performed?

RESPONSE:

(a) For the first three months of the test, the Postal Service and BUG performed a weight verification daily to determine the amount of postage to be collected from BUG. Each day, the Postal Service and BUG figures were compared to see if the postage calculated by BUG was within 1.5 percent of the Postal Service figure. BUG figures were well within the tolerance level. After the first three months, BUG performed the calculation daily with the Postal Service randomly performing its own weight verification to check the calculation; see parts (b) and (c) below.

(b)-(c) BUG did not physically count each envelope. BUG used 50 pieces of mail each day to determine the average weight of a single piece of mail. Trays were then weighed and the number of pieces per tray was determined using this average per piece. During the first three months of the test, the Postal Service would also select 50 pieces of mail each day to determine the average weight of a single piece, and perform the postage calculation in the same manner as BUG. After three months, the Postal Service calculated the postage four times a month without BUG's knowledge and compared the results with the BUG-supplied figures. Again, BUG was within tolerance. Later the Postal Service verification calculation was performed approximately once monthly, again without BUG's knowledge.

RESPONSE OF U.S. POSTAL SERVICE TO INTERROGATORIES OF NDMS  
REDIRECTED FROM WITNESS FRONK

RESPONSE to NDMS/USPS-T32-34 (Continued)

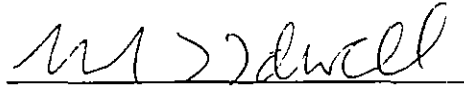
Each month, the Postal Service conducted an audit on a randomly picked day. Documentation reviewed included daily outgoing and incoming mail counts, a review of the postage calculation, and a comparison with the processing records of the third parties employed by BUG as remittance processors.

The combination of random weight verification and audits assured the Postal Service that BUG was paying the correct amount of postage.

(d) Not applicable.

# CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in cursive script, appearing to read "M. Tidwell", written over a horizontal line.

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.  
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September 22, 1997